

Senate File 354 - Introduced

SENATE FILE _____
BY McCOY

Passed Senate, Date _____ Passed House, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act eliminating the inheritance tax on property passing to
2 siblings of the decedent and including an applicability date
3 provision.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
5 TLSB 2309SS 83
6 mg/rj/14

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1 1 Section 1. Section 450.7, subsection 1, unnumbered
1 2 paragraph 1, Code 2009, is amended to read as follows:
1 3 Except for the share of the estate passing to the surviving
1 4 spouse, and parents, grandparents, great-grandparents, and
1 5 other lineal ascendants, children including legally adopted
1 6 children and biological children entitled to inherit under the
1 7 laws of this state, stepchildren, and grandchildren,
1 8 great-grandchildren, and other lineal descendants, and passing
1 9 to brothers, sisters, stepbrothers, and stepsisters, the tax
1 10 is a charge against and a lien upon the estate subject to tax
1 11 under this chapter, and all property of the estate or owned by
1 12 the decedent from the death of the decedent until paid,
1 13 subject to the following limitation:

1 14 Sec. 2. Section 450.9, Code 2009, is amended to read as
1 15 follows:

1 16 450.9 INDIVIDUAL EXEMPTIONS.

1 17 In computing the tax on the net estate, the entire amount
1 18 of property, interest in property, and income passing to the
1 19 surviving spouse, and parents, grandparents,
1 20 great-grandparents, and other lineal ascendants, children
1 21 including legally adopted children and biological children
1 22 entitled to inherit under the laws of this state,
1 23 stepchildren, and grandchildren, great-grandchildren, and
1 24 other lineal descendants, and passing to brothers, sisters,
1 25 stepbrothers, and stepsisters are exempt from tax.

1 26 Sec. 3. Section 450.10, subsection 1, unnumbered paragraph
1 27 1, Code 2009, is amended to read as follows:

1 28 When the property or any interest in property, or income
1 29 from property, taxable under the provisions of this chapter,
1 30 passes to the ~~brother or sister~~, son-in-law, or
1 31 daughter-in-law, the rate of tax imposed on the individual
1 32 share so passing shall be as follows:

1 33 Sec. 4. Section 450.10, subsection 6, Code 2009, is
1 34 amended to read as follows:

1 35 6. Property, interest in property, or income passing to
2 1 the surviving spouse, and parents, grandparents,
2 2 great-grandparents, and other lineal ascendants, children
2 3 including legally adopted children and biological children
2 4 entitled to inherit under the laws of this state,
2 5 stepchildren, and grandchildren, great-grandchildren, and
2 6 other lineal descendants, and passing to brothers, sisters,
2 7 stepbrothers, and stepsisters, is not taxable under this
2 8 section.

2 9 Sec. 5. APPLICABILITY DATE. This Act applies to estates
2 10 of decedents dying on or after the effective date.

2 11 EXPLANATION

2 12 This bill exempts from the inheritance tax property,
2 13 interest in property, or income passing to individuals who are
2 14 brothers, sisters, stepbrothers, and stepsisters of the
2 15 decedent.

2 16 The bill applies to estates of decedents dying on or after
2 17 the effective date.

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